



COUNCIL CHAMBERS

17555 PEAK AVENUE MORGAN HILL CALIFORNIA 95037

REDEVELOPMENT AGENCY	COUNCIL MEMBERS
Dennis Kennedy, Chairperson	Dennis Kennedy, Mayor
Steve Tate, Vice-Chairperson	Steve Tate, Mayor Pro Tempore
Larry Carr, Agency Member	Larry Carr, Council Member
Mark Grzan, Agency Member	Mark Grzan, Council Member
Greg Sellers, Agency Member	Greg Sellers, Council Member

WEDNESDAY, JULY 27, 2005

AGENDA

JOINT MEETING

REDEVELOPMENT AGENCY REGULAR MEETING

and

CITY COUNCIL SPECIAL MEETING

7:00 P.M.

A Special City Council Meeting Is Called at 7:00 P.M. for the Purpose of Conducting Closed Sessions and City Business.

Dennis Kennedy, Mayor

CALL TO ORDER

(Chairperson/Mayor Kennedy)

ROLL CALL ATTENDANCE

(Agency Secretary/City Clerk Torrez)

DECLARATION OF POSTING OF AGENDA

Per Government Code 54954.2

(Agency Secretary/City Clerk Torrez)

7:00 P.M.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

CITY COUNCIL SUBCOMMITTEE REPORTS

OTHER REPORTS

PUBLIC COMMENT

NOW IS THE TIME FOR COMMENTS FROM THE PUBLIC REGARDING ITEMS NOT ON THIS AGENDA.

(See notice attached to the end of this agenda.)

**PUBLIC COMMENTS ON ITEMS APPEARING ON THIS AGENDA WILL BE TAKEN AT THE TIME
THE ITEM IS ADDRESSED BY THE COUNCIL. PLEASE COMPLETE A SPEAKER CARD AND
PRESENT IT TO THE CITY CLERK.**

(See notice attached to the end of this agenda.)

**PLEASE SUBMIT WRITTEN CORRESPONDENCE TO THE CITY CLERK/AGENCY SECRETARY. THE
CITY CLERK/AGENCY SECRETARY WILL FORWARD CORRESPONDENCE TO THE CITY
COUNCIL/REDEVELOPMENT AGENCY.**

Redevelopment Agency Action

CONSENT CALENDAR:

ITEMS 1 - 4 The Consent Calendar may be acted upon with one motion, a second and the vote, by each respective Agency. The Consent Calendar items are of a routine or generally uncontested nature and may be acted upon with one motion. Pursuant to Section 5.1 of the City Council Rules of Conduct, any member of the Council or public may request to have an item pulled from the Consent Calendar to be acted upon individually.

Time Estimate

Page

Consent Calendar: 1 - 10 Minutes

- 1. CASA DIANA MIXED-USE PROJECT – SECOND LAND ACQUISITION LOAN.....1**
Recommended Action(s): Authorize the Executive Director to do Everything Necessary and Appropriate to Negotiate, Execute and Implement a Loan Agreement with EAH, Inc., Subject to Review and Approval of Agency Counsel, for a Loan up to \$1,100,000 for EAH to Acquire a Third Parcel for the Casa Diana Housing/Commercial Mixed-Use Project.
- 2. PRELIMINARY JUNE 2005 REDEVELOPMENT AGENCY FINANCE AND INVESTMENT REPORT.....5**
Recommended Action(s): Accept and File Report.
- 3. OPTION AGREEMENT FOR 55 EAST 4TH STREET PROPERTY.....15**
Recommended Action(s): Authorize the Executive Director to Execute, Including Making Modifications as needed and Subject to Agency Counsel Review and Approval, an Option Agreement for the Sale of 55 East 4th Street to Glenrock Builders or Its Designee in the Amount of \$303,481 Plus Customary Escrow/Closing Costs.

Time Estimate **Page**
Consent Calendar: 1 - 10 Minutes

4. **INTERIM LOAN FOR ROYAL COURT HOUSING PROJECT**33
Recommended Action(s): Authorize the Executive Director to do Everything Necessary and Appropriate to Negotiate, Execute and Implement, Subject to Agency Counsel Review and Approval, a Loan Agreement with South County Housing in an Amount not to Exceed \$1.9 Million for the Royal Court Housing Project.

City Council Action

CONSENT CALENDAR:

ITEMS 5 - 14

Time Estimate **Page**
Consent Calendar: 1 - 10 Minutes

5. **PRELIMINARY JUNE 2005 CITY FINANCE AND INVESTMENT REPORT**37
Recommended Action(s): Accept and File Report.
6. **VOTING DELEGATE TO THE 2005 LEAGUE OF CALIFORNIA CITIES ANNUAL CONFERENCE**63
Recommended Action(s):
1. Approve Appointment of Mayor Kennedy as the City's Voting Delegate and Mayor Pro Tempore Tate as the Alternate Voting Delegate to the League of California Cities' Annual Conference; and
2. Direct the City Clerk to Complete the Voting Delegate Form and Forward Said Form to the League of California Cities.
7. **ANNEXATION APPLICATION, ANX-01-04: CLAYTON-MERLANO**69
Recommended Action(s): Adopt Resolution Approving Annexation.
8. **CAPITAL IMPROVEMENT PROGRAM (CIP) FUNDING FOR REGIONAL SOCCER COMPLEX**87
Recommended Action(s): Receive Recommendation from the Parks and Recreation Commission that CIP Funds Designated for Assisting Construction of a Regional Soccer Complex at Sobrato High School be Reallocated to the Outdoor Sports Complex Project.
9. **APPROVAL OF SUBDIVISION IMPROVEMENT AGREEMENT WITH SANJAR AND SHARAREH CHAKAMIAN (APN 764-14-004)**89
Recommended Action(s):
1. Approve Subdivision Agreement and Improvement Plans;
2. Authorize the City Manager to Sign the Subdivision Improvement Agreement on Behalf of the City; and
3. Authorize the Recordation of the Map and the Subdivision Improvement Agreement Following Recordation of the Development Improvement Agreement.
10. **REJECTION OF BIDS FOR THE BUTTERFIELD WELL PUMP STATION PROJECT**101
Recommended Action(s):
1. Reject the Bids Received on July 13, 2005 for the Construction of the Butterfield Well Pump Station; and
2. Authorize the Staff to Re-Bid the Project.

Time Estimate

Consent Calendar: 1 - 10 Minutes

Page

11. **COUNCIL RESOLUTION SUPPORTING GRANT FUNDING FOR PREPARATION OF A “TRAILS AND NATURAL RESOURCES STUDY”** 105
Recommended Action(s):
 1. **Approve** the Resolution Supporting TDA Article 3 Grant Funding for the Preparation of a “Trails and Natural Resources Study”; and
 2. **Appropriate** Funds of \$4,000 from the City Budget’s Current Year Un-Appropriated Street Fund Balance.
12. **COMMUNITY CHOICE AGGREGATION UPDATE**..... 113
Recommended Action(s):
 1. **Accept** the Update Report from the Utilities and Environment Sub-Committee; and
 2. **Direct** the City Manager to Solicit Potential Aggregation Partners from other Cities in Santa Clara County.
13. **ACCEPTANCE OF PARADISE PARK PLAY EQUIPMENT REPLACEMENT PROJECT**..... 115
Recommended Action(s):
 1. **Accept** as Complete the Paradise Park Play Equipment Project in the Final Amount of \$79,990; and
 2. **Direct** the City Clerk to File the Notice of Completion with the County Recorder’s Office.
14. **CITY COUNCIL POLICY REGARDING LAND USE NEAR STREAMS AND WATERWAYS**..... 119
Recommended Action(s): **Approve** the Proposed City Council Policy.

City Council Action (continued)

CONSENT CALENDAR:

ITEM 15

Time Estimate

Consent Calendar: 1 - 10 Minutes

Page

15. **AWARD CONTRACT FOR CONSTRUCTION OF PEDESTRIAN CROSSING IMPROVEMENTS AT MONTEREY ROAD AND CENTRAL AVENUE**..... 123
Recommended Action(s): To be presented at the meeting.

City Council Action

PUBLIC HEARINGS:

	Time Estimate		Page
16.	5 Minutes	<u>DEVELOPMENT AGREEMENT, DA-04-09/ ZONING AMENDMENT, ZA-04-21: E. DUNNE-DELCO</u> Public Hearing Opened. Please Limit Your Remarks to 3 Minutes. Public Hearing Closed Council Discussion. Action- <u>Approve</u> Mitigated Negative Declaration. Action- <u>Motion to Waive</u> the Reading in Full of Zoning Amendment Ordinance. Action- <u>Motion to Introduce</u> Zoning Amendment Ordinance by Title Only. (Roll Call Vote) Action- <u>Motion to Waive</u> the Reading in Full of Development Agreement Ordinance. Action- <u>Motion to Introduce</u> Development Agreement Ordinance by Title Only. (Roll Call Vote)	127
17.	10 Minutes	<u>ASSESSMENT OF HAZARDOUS VEGETATION MANAGEMENT PROGRAM CHARGES</u> Public Hearing Opened. Please Limit Your Remarks to 3 Minutes. Public Hearing Closed Council Discussion. Action- <u>Adopt</u> Resolution Ordering the Final Report on the 2005 Hazardous Vegetation Program be transmitted to the County Assessor's Office and that Liens be posted against the Properties on the Report.	167
18.	5 Minutes	<u>ZONING TEXT AMENDMENT, ZA-05-06: CITY OF MORGAN HILL-MG GENERAL INDUSTRIAL DISTRICT AMENDMENT</u> Public Hearing Opened. Please Limit Your Remarks to 3 Minutes. Public Hearing Closed Council Discussion. Action- <u>Table</u> Item.	173
19.	30 Minutes	<u>APPLICATION ZA-04-14, AMENDMENT OF PARKING ORDINANCE TO IMPLEMENT DOWNTOWN PLAN</u> Public Hearing Opened. Please Limit Your Remarks to 3 Minutes. Public Hearing Closed Council Discussion. Action- <u>Select</u> Boundary of Exemption Area and <u>Decide</u> Whether to Impose In-Lieu Fee. Action- <u>Motion to Waive</u> the Reading in Full of Ordinance Amending Municipal Code Chapter 18.50. Action- <u>Motion to Introduce</u> Ordinance by Title Only. (Roll Call Vote)	179

City Council Action

OTHER BUSINESS:

	Time Estimate		Page
20.	60 Minutes	<u>OUTDOOR SPORTS COMPLEX</u>	255
		<u>Recommended Action(s):</u>	
		1. <u>Review</u> the Report;	
		2. <u>Consider</u> Recommendations from the Parks and Recreation Commission; and	
		3. <u>Adopt</u> Staff's Recommended Implementation Strategy.	
21.	10 Minutes	<u>RESOLUTION ALLOWING FOR INCLUSION OF THE UNINCORPORATED PORTION OF HOLIDAY LAKE ESTATES WITHIN THE CITY'S URBAN SERVICE AREA</u>	257
		<u>Recommended Action(s):</u>	
		1. <u>Adopt</u> the Resolution to Allow for and Request that LAFCO Include the Unincorporated Portion of Holiday Lake Estates within the City's Urban Services Area (USA); and	
		2. <u>Commit to Provide</u> , as Matching Funds to Property Owner Funds, \$15,000 from the Sewer Fund to Assist Holiday Lake Estates Property Owners with Costs Associated with Preparation of a Preliminary Engineering and Assessment District Formation Study.	

Redevelopment Agency and City Council Action

OTHER BUSINESS:

	Time Estimate		Page
22.	20 Minutes	<u>POLICY ISSUES RELATED TO RESIDENTIAL AND COMMERCIAL DEVELOPMENT IN DOWNTOWN</u>	263
		<u>Recommended Action(s):</u>	
		1. <u>Consider</u> Report from the Council Community and Economic Development Committee on Approaches to Encourage Residential and Commercial Development in Downtown and	
		2. <u>Direct</u> Staff to Take Action as Appropriate.	
23.	15 Minutes	<u>MORGAN HILL DOWNTOWN ASSOCIATION (MHDA) FUNDING EXTENSION</u>	267
		<u>Recommended Action(s):</u>	
		1. <u>Authorize</u> the Executive Director to Negotiate, Prepare, and Execute an Agreement with the MHDA in an amount not to Exceed \$97,500, Subject to Agency Counsel Review and Approval; and	
		2. <u>Authorize</u> the Executive Director to Amend the Property Based Improvement District (PBID) Loan to MHDA to allow MHDA to use the Remaining Loan Proceeds for PBID Formation Activities in Fiscal Year 2005-2006.	

City Council Action (Continued)

OTHER BUSINESS:

	Time Estimate		Page
24.	15 Minutes	<u>APPOINTMENTS TO FILL VACANCIES ON THE ARCHITECTURAL REVIEW BOARD (ARB); LIBRARY, CULTURE & ARTS COMMISSION; MOBILE HOME RENT COMMISSION; AND PLANNING COMMISSION</u>	301
		Recommended Action(s): Consider, Discuss, and Ratify Mayor's Appointments to Fill Vacancies on the ARB; Library, Culture & Arts Commission; Mobile Home Rent Commission; and the Planning Commission.	
25.	5 Minutes	<u>PROPERTY TAX ADMINISTRATION GRANT PROGRAM (PTAP)</u>	305
		Recommended Action(s): Consider Request for Letter(s) in Support to be sent to State Legislators Urging Continuation of the Property Tax Administration Grant Program.	

FUTURE COUNCIL-INITIATED AGENDA ITEMS:

Note: in accordance with Government Code Section 54954.2(a), there shall be no discussion, debate and/or action taken on any request other than providing direction to staff to place the matter of business on a future agenda.

Redevelopment Agency Action and City Council Action

CLOSED SESSION:

1.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Authority: Government Code Sections 54956.9(b) & (c)
Number of Potential Cases: 2

2.

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Authority: Government Code 54957
Public Employee Performance Evaluation: City Manager
Attendees: City Council, City Manager

OPPORTUNITY FOR PUBLIC COMMENT

ADJOURN TO CLOSED SESSION

RECONVENE

CLOSED SESSION ANNOUNCEMENT

ADJOURNMENT